

**AGENDA:** May 11, 2004

**4.9**

**CATEGORY:** Consent

**DEPT.:** Public Works

**TITLE:** Miramonte Reservoir Expansion,  
Project 00-32 – Award Construction  
Contract

### **RECOMMENDATION**

1. Allow the apparent low bidder, Pacific Mechanical Corporation of Concord, California, to withdraw its bid for the construction of Miramonte Reservoir Expansion, Project 00-32, without forfeiting its bid security on the basis that a material and clerical error was made in assembling the bid, as provided in Section 5103 of the Public Contracts Code.
2. Award the construction contract for Miramonte Reservoir Expansion, Project 00-32, to the second lowest bidder, Anderson Pacific Engineering Construction, Inc. of Santa Clara, California, for the low bid price of \$4,258,000 and authorize a construction contingency allowance of \$170,000.

### **FISCAL IMPACT**

The Miramonte Reservoir Expansion, Project 00-32, is funded in the amount of \$5.8 million from the Water Revenue Fund. The total project cost based on the second low bid from Anderson Pacific Engineering Construction, Inc. is estimated at \$5.8 million and is within the project budget.

### **BACKGROUND AND ANALYSIS**

On March 23, 2004, the Council approved the plans and specifications for the Miramonte Reservoir Expansion, Project 00-32, and authorized staff to advertise for bids. The project was advertised on March 31, 2004. On April 29, 2004, seven bids were received and opened by the City Clerk. Bid results are provided on the attached bid summary sheet (see Attachment 1). The apparent low bidder was Pacific Mechanical Corporation with a bid of \$3.66 million. The bids ranged from \$3.66 million to \$4.85 million.

On April 30, 2004, Pacific Mechanical Corporation (PMC) submitted a request to withdraw its bid due to two inadvertent clerical errors (Attachment 2). Along with this written request, PMC provided supporting documents which clearly demonstrated that PMC had transposed the cost entry for reinforcing steel and entered the incorrect price for earthwork, resulting in their bid price being approximately \$700,000 less than their intended bid price of \$4,359,619.

The State of California Public Contracts Code Section 5103 allows a bidder to request that a bid be rescinded without forfeiture of the bid security when a clerical error is made on the bid form. This clerical error has made the bid materially different than it was intended to be by PMC. Staff agrees that this was an inadvertent clerical error and that PMC should be allowed to withdraw its bid.

As a result of this situation, the City can either reject all bids and rebid the project or award the construction contract to the next lowest responsible bidder, Anderson Pacific Engineering Construction, Inc. of Santa Clara, California, with a bid price of \$4,258,000. In analyzing the second, third and fourth low bids for the project, there is only a 3 percent spread between the high and low bids. This indicates that even though the second low bid is 9 percent above the Engineer's Estimate, it is a competitive bid and staff believes rebidding would not produce a more favorable price. In addition, rebidding would cause costly work delays, pushing weather and traffic-sensitive construction operations into the winter when school traffic and rain become issues.

Given these considerations, staff does not believe it would be productive to rebid the project and recommends awarding the construction contract to the second low responsible bid from Anderson Pacific Engineering Construction, Inc. of Santa Clara, California, in the amount of \$4,258,000. Anderson Pacific has successfully completed several projects for the City in the past, including the complex Charleston Slough tide gate project, and they are well qualified to undertake the Miramonte Reservoir project.

The estimated project cost based on the low bid is as follows:

Construction	\$4,258,000
Construction Contingency	170,000
Preconstruction Site Work (site fencing and tree removal)	120,000
City Project Management, Contract Administration, Inspection and Testing	332,000
Design Consultant Support Services	110,000
Other Technical Services	40,000
Geotechnical Services	70,000
Contract Construction Management	<u>350,000</u>
Subtotal	\$5,450,000
City Administration @ 6.5%	<u>350,000</u>
TOTAL CONSTRUCTION PROJECT COST	<u>\$5,800,000</u>

Construction is scheduled to begin in early June 2004 and be completed by fall 2005.

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**PUBLIC NOTICING** – Agenda posting.

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AMC/6/CAM  
924-05-11-04M-E^

Attachment: 1. Bid Summary  
2. Bid Withdrawal Letter

cc: Pacific Mechanical Corporation

Anderson Pacific Engineering Construction, Inc.

Ms. Christine Lindow, MWH

Mr. Jim Porter, Public Works Director, City of Los Altos

Mr. Adelio Quiogue, State Department of Health Services

APWD – Ko, DE, CE, EEM, USM, PCE – Le, SCE – Callan, SCE – Muench, SCE – Turner,  
SAA – Irwin, F/c